

Administrative Backgrounder

Public Presentation Request

	Title 9:05 a.m. Tax Penalty Cancellation Request for Tax Roll 3418001
Purpose of Report	To provide background information regarding a request to cancel property tax penalties for tax roll 3418001.
Proposed Motion	That Council refer the request to cancel property tax penalties for tax roll 3418001 to Administration to present information and a recommendation at a future Council meeting.
Previous Council Direction	<p><u>September 27, 2022 Regular Council Meeting</u> Motion 354/22: That Council amend the Public Tax Recovery Property Auction date from November 2, 2022 to November 30, 2022.</p> <p><u>June 28, 2022 Regular Council Meeting</u> Motion 253/22: That Council approve the conditions of sale and the reserve bid identified in the 2022 Public Sale of Land Report at market value as prepared by Sturgeon County’s Assessment Department for the Public Tax Recovery Property Auction to be held on November 2, 2022.</p> <p><u>November 30, 2021 Regular Council Meeting</u> Motion 507/21: That Council approve the Municipal Property Tax Cancellation, Reduction, Refund and Deferral Policy as presented.</p>
Additional Background Information	<ul style="list-style-type: none"> • In accordance with Bylaws 1422/18 and 1535/21, 2019, 2020, 2021, and 2022 Sturgeon County municipal taxes were due on the last business day of June each year. • Bylaw 1498/20, the 2020 Tax Penalty Bylaw Amendment for COVID-19, extended the date for the application of property tax penalties in 2020 to August 31, 2020. • Bylaw 1550/21, the 2021 Tax Penalty Bylaw Amendment for COVID-19, extended the date of property tax penalties in 2021 to August 31, 2021 for residents impacted by COVID-19 who provided written notice in advance of the property tax penalty deadline. • Tax penalties are in place to ensure the timely payment of property taxes. Late penalty charges for the 2019 to 2022 taxation years are as follows:

- 2019 Taxation Year
 - Current tax penalties of 6% on June 29 and August 1, 2019
- 2020 Taxation Year
 - Tax arrears penalties 12% on March 1, 2020
 - Current tax penalties 6% on September 1 and October 1, 2020
- 2021 Taxation Year
 - Tax arrears penalties 12% on March 1, 2021
 - Current tax penalties 6% on July 1 and August 1, 2021
- 2022 Taxation Year
 - Tax arrears penalties 12% on March 1, 2022
 - Current tax penalties 6% on July 1 and August 1, 2022

• Below is a summary of penalties for tax roll 3418001.

Year	12%	6%	6%	Total
2019	-	117.67	117.67	235.34
2020	263.58	118.49	118.49	500.56
2021	560.64	114.32	114.32	789.28
2022	889.98	116.57	116.57	1,123.12
				<u>\$ 2,648.30</u>

- In 2021, no deferral registration was submitted for tax roll 3418001 to extend the payment deadline for the 2021 tax levy in accordance with Bylaw 1550/21, the 2021 Tax Penalty Bylaw Amendment for COVID-19.
- In June 2022, tax roll 3418001 was included in the 2022 Tax Recovery Reserve Bid (Public Tax Sale).
- In September 2022, Administration received a presentation request form from Mr. Terry Spiess for Council to consider waiving penalties for tax roll 3418001.
- In September 2022, Mr. Spiess and the County established a three-year repayment agreement for tax roll 3418001 in accordance with section 418(4) of the *Municipal Government Act* (MGA). The terms require the balance of \$10,482.43 to be paid in monthly installments of \$291.18 (tax levies and penalties) which began in October 2022 and will conclude in September 2025.
- Tax roll 3418001 was removed from the 2022 Tax Recovery Reserve Bid (Public Tax Sale) listing upon establishment of the three-year repayment agreement.
- As per the Tax Installment Payment Plan Bylaw 1536/21, ratepayers may enter into a Penalty Forgiveness Payment Agreement that is available to ratepayers who meet the eligibility requirements for current year penalty waiver. This tax

	<p>roll does not fall within the eligibility criteria as the roll has outstanding taxes in the current year and in arrears (historical).</p> <ul style="list-style-type: none"> • The Municipal Property Tax Cancellation, Reduction, Refund and Deferral Policy states that requests for property tax penalty cancellation shall be forwarded to the Governance and Council Services Committee, where the Committee shall make a recommendation for Council’s consideration at the next available Regular Council Meeting. • This item was originally scheduled to be presented at the November 16, 2022 Governance and Council Services Committee Meeting. However, that meeting was cancelled. With no other Committee meetings scheduled in 2022, Administration has coordinated this presentation for the November 29, 2022 Regular Council Meeting to ensure timely closure of this request. • Administration recommends that Council refer the request to the December 13, 2022 Council Meeting, at which time Council will be requested to decide on the matter. <p><u>External Communication</u></p> <ul style="list-style-type: none"> • In 2019, 2020, 2021, and 2022 tax information regarding notices, payments, and relevant bylaws were communicated to the public by the following means: <ul style="list-style-type: none"> ○ Taxation notices which included inserts detailing further information regarding payment options and relevant bylaws; ○ County Centre front desk notifications; ○ Promoted on the Sturgeon County website; ○ Advertising on social media platforms; ○ Facebook homepage advertisements; ○ Advertising in the Morinville <i>Free Press</i> and Redwater <i>Review</i>; and ○ Advertising on road signs.
Attachment(s)	<ol style="list-style-type: none"> 1. Attachment 1: Presentation Request Form 2. Attachment 2: Municipal Property Tax Cancellation, Reduction, Refund and Deferral Policy
Report Reviewed by:	<p>Sabrina Duquette, Manager, Corporate Finance & Treasury</p> <p>Andrew Hayes, General Manager, Financial Services & Chief Financial Officer</p> <p>Jesse Sopko, Acting County Commissioner – CAO</p>